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July 18, 2006

Massachusetts Department of Energy Resources
100 Cambridge Street,
Suite 1020
Boston, Massachusetts 02114

Attention: Howard Bernstein, Ph.D.

RE: Public Comments on Proposed Modifications to 225 CMR 14.00

Dear Dr. Bernstein:

Regenesi Corporation respectfully submits the following comments relative to the proposed Renewable Energy Portfolio Standard (RPS) rules, which were the subject of a public hearing held by the Massachusetts Division of Energy Resources ("DOER") on June 28, 2006:

I. Use of Wood Recovered from Construction and Demolition Activities

A valuable yet frequently misunderstood renewable resource is the wood recovered from construction and demolition ("C&D") activities. We agree with DOER that wood recovered from C&D should be included as a renewable biofuel under RPS rules. The New England states generate millions of tons a year of wood from the construction and demolition of structures. Massachusetts has recently limited the disposal options of this wood by banning its landfilling in the Commonwealth. We believe that the New England state governments should do more to encourage the source separation, recycling and reuse of wood recovered from C&D activities, before sending this material to biomass plants for conversion into energy. There will, however, always be a percentage of this wood stream that will not be economically reusable as anything other than low cost biomass fuel or alternate daily landfill cover.

Recently there have been very emotional debates on the use of this material as it pertains to its conversion to heat and electrical energy at biomass facilities. Residents' groups emphatically decry the use of this wood without truly understanding the benefits and limited risks associated

with its combustion. One health issue frequently cited by residents' groups in opposition to the use of this material is their feared, potential exposure to lead ("Pb"). Concerns such as these were presented to Regeneration in connection with the proposed use of wood recovered from C&D activities at the Bio Energy facility in W. Hopkinton, NH. In response to residents' concerns, Regeneration conducted a comprehensive study of any potential lead emissions from the Bio Energy facility, resulting from the use of this wood. Regeneration is the first and only power-plant operator in New Hampshire to model and study the health effects of emissions from wood recovered from C&D activities on a local community. The results of that study are enclosed with these comments.

Environmental modeling performed on proposed emissions from the Bio Energy facility by an independent environmental sciences firm, determined that the health risks associated with lead emissions from using wood recovered from C&D as biomass fuel are negligible.

The purpose of this evaluation was to determine if the Bio Energy facility would meet NH's Ambient Air Limit for lead using a fuel mix consisting of whole-tree, solid waste permit exempt wood and wood separated from C&D activities. NH's Ambient Air Limit for lead is eight (8) times more stringent than the U.S. Environmental Protection Agency's (EPA) and 273 times more stringent than OSHA's. This risk assessment was conducted in accordance with the EPA's guidance.

The study found that the concentrations of lead potentially emitted from the Bio Energy facility, using an up to fifty percent mix of wood recovered from C&D activities does not pose a human health risk based on predicted blood lead ("PbB") concentrations from assumed exposure to emitted lead. The study goes on to report, "predicted PbB concentrations for people near the Bio Energy facility are significantly below the Centers for Disease Control (CDC) threshold of concern of 10 micrograms per deciliter ("PbB") and the EPA-recommended target levels for PbB. Finally, "with the Bio Energy facility operating at its maximum allowable emission rate, there is a 99.99 percent probability that a child living in the predicted location of maximum deposition would have a PbB level less than 10 micrograms per deciliter."

Currently Maine is the only New England state that allows the use of wood recovered from C&D activities as a biomass feedstock. Connecticut, recognizing the public benefit and low health risks of using wood recovered from C&D activities in renewable energy applications, has proposed enabling legislation to allow the use of this wood as a fuel stock in advanced biomass

projects¹. Continued classification by DOER of wood recovered from C&D activities, as an “eligible fuel” will encourage the construction of new, advanced biomass facilities that can safely utilize this material, in conjunction with other biomass harvested in a sustainable manner. We agree that any biomass plant using this material should meet emissions standards consistent with the best available control technology standards. It is Regensis’ position that uncontaminated wood recovered from C&D activities should continue to be classified as an “eligible fuel” under RPS Guidelines, because with proper air emission controls, biomass facilities utilizing wood recovered from C&D activities will produce environmentally safe, renewable energy.

II. Reimplementation of Advisory Rulings

The ability to obtain funding from the financial community, including private investors, banks, and the public markets require that the risks of such a project be weighed against alternatives. The development and construction of a renewable power generation facility, biofuel facility, or a synergistic combination of these two types of facilities in a renewable campus setting, requires assurances and opinions from the DOER that such a project will qualify for Renewable Energy Credits/Certificates. The DRAFT RPS Guidelines currently define and require Advanced Biomass Technologies for the combustion of biomass. Unfortunately, the financial community is not always familiar or up to date with the current advancements in technology and has traditionally relied upon government agencies to limit technology risk. This unfamiliarity of state-of-the-art technology requires assurances from the DOER that such a technology is exactly what the Renewable Energy Portfolio Standard is trying to cultivate. The backing or an advisory ruling by DOER on a particular project, especially one that may need to be evaluated on a case-by-case basis by multiple departments of DOER and DEP, will provide tremendous guidance for both developers and the financial community in evaluating the financial risk of such projects.

¹ Connecticut House Bill 5271 would classify biomass gasification plants utilizing C&D wastes as CT Class I renewable energy sources. HB 5271 has passed both the Environment Committee (28-0) and the Energy and Technology Committee (14-0). It is currently pending action in the CT Senate.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark W. Dell'Orfano'.

Mark W. Dell'Orfano
Corporate Spokesperson
Regenesis Corporation

MWD/fl

ENCLOSURE